



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2017 Biennium

<b>Bill #</b>	SB0288	<b>Title:</b>	Medical recovery of work comp payment from at-fault parties
<b>Primary Sponsor:</b>	Tutvedt, Bruce	<b>Status:</b>	As Introduced

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact     | <input type="checkbox"/> Needs to be included in HB 2  | <input type="checkbox"/> Technical Concerns              |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

### **FISCAL SUMMARY**

	<b><u>FY 2016 Difference</u></b>	<b><u>FY 2017 Difference</u></b>	<b><u>FY 2018 Difference</u></b>	<b><u>FY 2019 Difference</u></b>
<b>Expenditures:</b>				
Proprietary (06)	\$0	\$0	\$0	\$0
<b>Revenue:</b>				
Proprietary (06)	\$0	\$0	\$0	\$0
<b>Net Impact-General Fund Balance:</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**Description of fiscal impact:** The bill provides that workers' compensation carriers will have subrogation rights against an at-fault third party for medical claims regardless of whether the damage awards exceed a combination of workers' compensation benefits and third-party settlements. Workers' compensation insurers including Montana State Fund (MSF) will be allowed to collect funds from at-fault third parties for claims for injuries or occupational diseases.

### **FISCAL ANALYSIS**

#### **Assumptions:**

1. Through subrogation, MSF would reduce the total amount of claim benefits paid, however the amount cannot be determined.
2. MSF currently investigates subrogation potential at the onset of each claim. Claim examiners would see a slight impact to the amount of time needed resolve the subrogation aspect of a claim for follow-up activities such as providing documentation of payments, requesting reimbursement, and resolving subrogation recovery issues via settlement, but this work is not anticipated to be significant.

*Sponsor's Initials*

*Date*

*Budget Director's Initials*

*Date*